



C A L I F O R N I A

Dairy Review

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California Department of Food and Agriculture
A.G. Kawamura, Secretary

CWT EXPORT ASSISTANCE TARGET PRICES RAISED . . .

*Export Program To Remove More Than 330 Million Pounds
Worth Of Milk In Coming Year*

Cooperatives Working Together (CWT), the farmer-funded milk reduction effort managed by National Milk Producers Federation (NMPF), announced that it has raised its target price trigger levels for the export of dairy commodities to \$1.40 per pound for cheese, and \$1.30 per pound for butter.

The upward adjustments reflect the fact that only a small volume of cheese (approximately three million pounds), and no quantities of butter, were exported during CWT's first year of operation, due mainly to the surge in wholesale dairy prices during the first four months of 2004. The adjustments also reflect the fact that wholesale cheese prices in particular, which reached a record \$2.20/lb. in April, have weakened considerably, and are now slightly below the new \$1.40 export trigger level.

In CWT's second year, the initial plan for the Export Assistance Program is to export up to a total of 20 million pounds of cheese, and 7 million pounds of butter, which together represent a milk equivalent of 332 million pounds. Exports will occur as overseas buyers are found for the products, and as CWT's members bid to be compensated for selling cheese and butter to those importers. "We expect that the appropriate use of the Export Assistance Program will help reduce domestic butter and cheese stocks, and prevent the collapse of farm-level milk prices, which ultimately are tied to the wholesale price of these products," said Jerry Kozak, NMPF President. Farm-level milk prices are now headed downward, and are forecast to continue dropping the remainder of 2004.

CWT will also conduct a second herd retirement program in the coming 12 months, as it did last fall. The timing of that milk reduction program has yet to be determined. Cooperatives Working Together is being funded by dairy cooperatives and individual dairy farmers, who are contributing 5 cents per hundredweight assessment on their milk production from July 2004 through June 2005. In its first year, CWT removed approximately 700 million pounds milk equivalent through three reduction activities, resulting in an increase in the all-milk price of 59 cents per hundredweight from Oct. 2003 through Sept. 2004. For more on CWT's activities, visit their website at www.cwt.coop.



June Milk Production

Milk production in California for June 2004 totaled 3.02 billion pounds, up 1.7 percent from June 2003. USDA's estimate for U.S. milk production for June 2004 in the 20 major dairy states is 12.4 billion pounds, down 0.2 percent from June 2003. Production per cow in the 20 major states averaged 1,603 pounds for May, 7 pounds above June 2003. ☀

Minimum Class Prices

Statewide average hundredweight prices

Class	June	July	August
1	\$22.18	\$22.18	\$15.46
2	\$15.00	\$15.00	\$ N/A
3	\$14.83	\$14.83	\$ N/A
4a	\$13.30	\$ N/A	\$ N/A
4b	\$16.35	\$ N/A	\$ N/A

Federal Order and California Minimum Class 1 Prices

Average Hundredweight Prices

Regions	June	July	August
Phoenix, Arizona	\$23.48	\$20.30	N/A
Southern California	\$22.31	\$18.63	\$15.59
Portland, Oregon	\$23.03	\$19.85	N/A
Northern California	\$22.04	\$18.36	\$15.32
Boston (Northeast)	\$24.38	\$21.20	N/A

Quota Transfer Summary

For June 2004, seven dairy producers transferred 18,476 pounds of SNF quota. June quota sales averaged \$472 per pound of SNF (without cows), average ratio of 2.41. For July 2004, three dairy producers transferred 3,107 pounds of SNF quota. July quota sales averaged \$473 per pound of SNF (without cows), average ratio of 2.37. ☀

Alfalfa Update: July

Northern California: Premium and Supreme alfalfa was steady in light test with light to moderate supplies. High test hay is coming from out of state. Fair and Good alfalfa was steady with moderate demand and supplies. Retail and Stable hay was also steady with moderate demand and supplies. Exporters are showing interest in hay and starting to be competitive. Weather has been very cooperative for hay production.

Southern California: Premium and Supreme alfalfa not well tested. Fair and Good alfalfa was steady with good demand and moderate supplies. Retail and Stable hay was steady and producers already putting some supplies in barn for later take out. Exporters busy with Sudan hays but showing interest in alfalfa. White flies are getting active and the weather has been very hot. ☀

Supreme Hay Prices

Statewide average prices per ton

Area	7/2	7/9	7/16	7/23
Petaluma	\$158-176	\$155-175	\$160-170	\$158
North Valley ¹	\$150-177	\$160-164	\$155-170	\$163-168
South Valley ²	\$159-185	\$165-180	\$165-180	\$156-175
Chino Valley	\$150-162	\$155-160	\$155	\$138

¹ North Valley is Escalon, Modesto and Turlock areas.

² South Valley is Tulare, Visalia and Hanford areas.

Alfalfa Hay Sales/Delivery

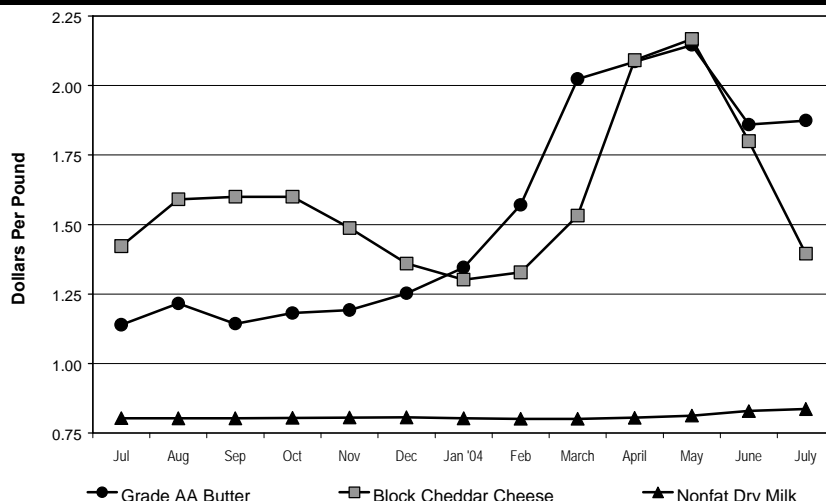
	June	July
Tons Sold ¹	236,188	295,876
Tons Delivered ²	123,080	149,855

¹ For current or future delivery.

² Contracted or current sales.

Alfalfa hay sales, deliveries and Supreme quality prices per ton, delivered to dairies, as reported by the USDA Market News Service, Moses Lake, WA, (509) 765-3611, <http://www.ams.usda.gov/marketnews.htm>

Grade AA Butter, Block Cheddar Cheese, and Nonfat Dry Milk Prices Used in the Calculation of California Class 1 Milk Prices





BOVINE SPONGIFORM ENCEPHALOPATHY TESTING

IMPORTANT INFORMATION PROVIDED BY THE USDA

The United States Department of Agriculture's (USDA) Animal and Plant Health Inspection Service (APHIS) has recently undertaken an aggressive surveillance program to obtain data about the possible presence of BSE in the United States (U.S.). APHIS plans to test as many cattle as possible from the target population over a 12-18 month period. As a result, we will be looking to our partners in all segments of industry to notify us when they identify cattle that fit within the target population.



Our target population of cattle more than 30 months of age includes:

- Nonambulatory cattle;
- Cattle exhibiting signs of a central nervous system disorder, such as staggering, excess nervousness, or apprehension;
- Cattle exhibiting other signs that may be associated with BSE, such as emaciation or injury; or,
- Dead cattle.

We anticipate that the majority of samples in this target population will be collected at concentration points, such as rendering facilities. However, we will also be looking to obtain some samples from cattle producers if they identify cattle that fit these descriptions.

We realize that there is some concern among cattle producers about what would happen to their business if BSE were discovered in their herd. We want to provide as much information as possible about the process in order to alleviate those concerns and encourage participation.

CDFA Animal Health Branch Offices	
Sacramento (HQ)	916-654-1447
Modesto	209-491-9350
Ontario	909-947-4462
Redding	530-225-2140
Tulare	559-685-3500
USDA/APHIS/VS 916-857-6170 or 877-741-3690	

Based on what we know about the disease, the discovery of additional cases of BSE would not necessitate depopulating an entire herd. Instead, APHIS would conduct an investigation to identify individual animals that may have been exposed at a young age to the same feed as the affected animal.

The owners of the affected cattle would be compensated for any cattle taken as a result of the investigation. In addition, any quarantine of affected animals would be temporary and there would not be restrictions on the movement of milk or similar products.

Dr. Bill Wavrin, owner of the cow diagnosed with BSE in December of 2003, has been vocal about his

"While our experience with having a cow test positive (for BSE) was not without considerable stress, it did not do significant harm to our business," Wavrin said. "It did in fact provide great assurance that our industry is strong, our state and federal agencies charged with protecting our herds and our customers are able and committed, and our consumers are rational and loyal."

particular experience in the wake of the discovery.

APHIS is committed to the success of the enhanced BSE surveillance program. Cooperation from cattle producers and other segments of industry is vital to providing consumers and trading partners increased assurances about the safety of the U.S. cattle population.

More information is available at http://www.aphis.usda.gov/lpa/issues/bse-enhanced_surv/bse-enhanced_surv.html or http://www.cdca.ca.gov/ahfss/ah/BSE_info.htm or by calling our toll-free number at 866-536-7593.



Questions from the Corral

See end of this column for information on submitting questions

Q Does a producer have to own quota to get a transportation allowance?

A No. Transportation allowances apply to all market (grade A) milk moving from dairy farms to plants in qualifying areas that process more than 50 percent of the milk received into Class 1, Class 2, and/or Class 3 products. In addition, cooperative organizations receive transportation allowances on shipments to their plants if the plant is located in a deficit area and if the plant supplies 40 percent of its receipts for Class 1 usage.

Transportation allowances were instituted as a means of encouraging milk to move to fluid milk plants and other "higher use" plants. They are set up to provide partial compensation to producers for the cost of hauling milk to specific plants. As such, any producer who ships milk to a qualified plant is eligible to receive a transportation allowance, which is based on the distance from the dairy to the plant and the volume of milk shipped.

Q Who can testify at a milk pricing hearing?

A Public hearings are the means to which changes are made to pricing formulas and pooling provisions. Generally, the hearing process is initiated by a member of the industry by filing a petition for a public hearing with the Department. However, the Department can also call a hearing on its own motion. All milk pricing hearings are open to the public. Anyone can sign up to testify at a hearing including milk producers, cooperative representatives, milk processors, trade association representatives, and consumers. An individual may also submit a letter to the Secretary of Food and Agriculture stating their opinion or comments regarding the hearing topic. The letter would then become part of the hearing record. The decision from the hearing will reference all the contents of the hearing record. ☀

Note: Send your "Questions to the Corral" via the branch website email address: dairy@cdfa.ca.gov or contact Karen Dapper by phone at (916) 341-5988.

Markets, Weather, and News (DTN) Available on Dairy Marketing Website

The Dairy Marketing Branch website at www.cdfa.ca.gov/dairy has a link featuring "Markets, Weather, and News" where you can access the Data Transmission Network (DTN) information. Information is available on weather, futures markets, Ag Market News, Dairy News, Hay and Feed News, Washington Ag News, and Market News. Simply go to the left side of the branch website and click on "Markets, Weather, and News (DTN)" ☀

Reporting High-Risk Cattle

The USDA Animal and plant Health Inspection Service has set up a toll-free number for you to report high-risk cattle in the U.S. As part of the enhanced BSE-surveillance efforts, producers, renderers, veterinarians and others who suspect a high-risk animal should call **866-536-7593**.

High-risk cattle include:

- Non-ambulatory cattle
- Cattle that exhibit signs of a central-nervous-system disorder
- Cattle that exhibit symptoms of BSE, such as lack of coordination or weight loss with normal appetite
- Dead cattle ☀

California Hay Acres Down in 2004

By Seth Hoyt

For the second consecutive year, the USDA National Agricultural Statistics Service (NASS) crop acreage report shows a decline in alfalfa hay acres in California. The 2004 NASS report issued June 30 estimated alfalfa hay acres at 1,050,000, down 4% from 2003. Alfalfa hay acres in the seven western states were estimated at 4,225,000, down 3% from last year.

While it appears that alfalfa hay acres converted to cotton in the Central Valley are less than the industry predicted last fall, the decline in alfalfa hay acres in the southern desert made up for it. The Imperial Irrigation District reported alfalfa hay acres on June 14, 2004 at 135,373, down nearly 20,000 acres from 2003. Alfalfa hay acres in the Palo Verde Valley (Blythe area) in June were reported at 42,338, down 10,000 acres from June 2003. The proposed water agreement between the Palo Verde Irrigation District and Metropolitan Water District is expected to dry down 26,000 acres of farmland this fall.

Hay Stock Analysis

May 1 hay stocks in California were estimated at 300,000 tons, up from 200,000 tons on May 1 of last year. The 10-year average on May 1-hay stocks in California is 284,000 tons. Hay stocks in the seven western States on May 1, 2004 were up 11% from a year ago. The higher May 1 hay stocks in California are a little misleading. First, it appeared that most of the excess hay on May 1 was in the Imperial Valley and northern mountains, according to sources. Unsold inventories of old crop, dry cow alfalfa hay in the Imperial Valley declined substantially in May due to strong demand from Southern San Joaquin Valley dairies. Secondly, due to the financial situation in the dairy industry the first half of 2003, many dairies used up old crop hay supplies and were not as aggressive in buying new crop hay. Consequently, it appeared that old crop hay supplies on May 1, 2003 at the dairies were lower than normal, making for a poor year-to-year comparison.

Good First Half

The alfalfa hay market in California the first half of 2004 was much improved from the first half of 2003. The strong hay market was driven by sharply higher milk prices and profitability in the dairy industry. According to Market News, Supreme alfalfa hay delivered to Tulare in May averaged \$172.14, up \$26.50 per ton from May, 2003. The biggest year-to-

year increase was seen on Good quality alfalfa hay, which increased \$37.50 per ton and averaged \$148.55 delivered. Fair quality (dry cow) alfalfa hay in May averaged \$112.22 per ton delivered to Tulare, up \$15.06 from May of last year. Ample supplies of old crop, dry cow alfalfa hay in the southern desert tempered the year-to-year price increase on Fair quality alfalfa hay.

Second Half Factors

When analyzing what the alfalfa hay market could do the second half of 2004, there are probably more factors indicating that the price will hold rather than weaken. If there is any weakness it may be in the middle quality hay in some areas. Several exporters have gone out of business in recent years and the export demand for Good quality alfalfa hay is down compared to past years. It doesn't appear that the top quality alfalfa hay market will soften.

The biggest bearish factor in the hay market the second half of the year is the projected drop in milk prices. (On July 8, Milk Futures prices on the Chicago Board of Trade for July through December ranged from \$12.35 to \$14.85 cwt., down from prices of a few months ago). Sources indicate the lower milk prices are due to buyer resistance to the record high dairy product prices. Additionally, milk production in California in May was up 2% from 2003. While input costs for dairy producers have increased, it appears the dairy industry could still be profitable the second half of the year, barring a further decline in milk price projections and/or increased production costs. A positive for dairy producers is a 25% drop in corn prices since early April. Unless Corn Belt weather deteriorates in the coming weeks, projections are for a record corn harvest in 2004. Corn exports the past month were below expectations.


Other bullish factors in the alfalfa hay market include lower production in California and lower availability of milk cow quality hay in the West. One area that may see the biggest year to year decline in alfalfa hay production is the southern desert. With the early start to the 2004 season, alfalfa yields are running ahead of 2003 in some areas. However, yields were disappointing in June in north central California and with the uncertain water picture, yearly production could be negatively impacted. Some Central Valley growers are concerned about water supplies for late season irrigation. The levee break in the Stockton-Delta and the availability of water from mountain runoff made irrigation supplies more questionable. One source in the north central area indicated that

(Continued on next page)

TDN tests in June were above normal, but yields were lower than normal. This source also reported that alfalfa hay inventories in growers' hands on July 1 in his area were significantly below the same time last year. He said growers were moving large volumes of hay to aggressive dairy buyers. Rain in the northern mountains of California caused damage or reduced TDN tests on first cutting alfalfa. Many northern California dairies purchase milk cow quality alfalfa hay from this area in the summer. Additionally, the amount of high quality new crop alfalfa available in some other western states, particularly Utah and Idaho, was down due to spring rains. One source reported that if the hay didn't get rained on, it was less than milk cow quality because growers delayed harvest.

Alfalfa hay shipments into California from out-of-state in the January thru May 2004 period were up 18% from the same period last year. However, the key to summer shipments depends on available supplies of high test, new crop alfalfa hay in Utah and Nevada. The June shipment report should give us an indication.

Another positive for hay growers was a 25% reduction in dairy cow slaughter in April and May compared to a year ago due to high milk prices and a very strong springer-heifer market. Dairy producers will probably return to more normal culling in the coming months. The current slaughter cow market is very strong and could prompt some additional culling near term. A partial offset to heavier culling is that placements of heifers into herds the first half of the year was up from last year. In the January thru May period, 25,000 more milk replacement heifers were shipped into California than the same period last year, a 53% increase. Due to uncertainties in milk prices in the coming months, the top of the springer-heifer market at one central valley auction was \$1,800 to \$2,100 per head in early July, down \$200 to \$300 from their highs in April and May.

The outlook for alfalfa hay prices in the coming months continues to be filled with many variables. The bright spots for hay growers are the return of profitability in the dairy industry and the fewer acres of alfalfa hay in California and the West. With dairy producers accounting for approximately 80% of the outlet for alfalfa hay in California, profitability in the dairy industry will be key to the alfalfa hay market in the months ahead. 

National Dairy Situation and Outlook – USDA Estimates

Milk Production and Cow Numbers

Monthly: Compared to 2003, USDA estimates that overall milk production across the U.S. was down 0.4% in June, led by Texas' 6.8% growth in milk production (on the same number of cows and 100 more pounds per cow). California's estimated production was up 1.9% (on 40,000 more cows and 10 less pounds per cow). Among other western states, Arizona was up 2.4%; New Mexico up 3.9%; and Washington down 2.1%. Four of the top 10 states reported an increase: Idaho 5%, Texas 6.8%, New Mexico 3.9%, and California 1.9%.


Quarterly: For the second quarter of 2004 compared to the first quarter of 2004, U.S. milk cow numbers were down 0.1% at 8.980 million, production per cow was up 2.1%; the net effect was a 2.1 increase in milk production to 43.6 billion pounds. USDA projects that for the third quarter of 2004 compared to the second quarter of 2004, U.S. milk cow numbers will decrease 10,000 cows to 8.970 million cows, production per cow will be down 4.5%; the net effect would be a 4.8% decrease in milk production to 41.5 billion pounds.

Milk Prices

Comparing the second quarter of 2004 to the first quarter of 2004, U.S. average milk prices were up \$4.60/cwt. to \$18.67/cwt. USDA projects that for the third quarter of 2004, U.S. average milk prices will be down \$3.50-\$4.00/cwt. compared to the second quarter; including a \$5.50-\$6.00 decrease/cwt. Class 4b price change and a \$1.30-2.30 decrease/cwt. Class 4a price change.

Utility Cow Prices

Comparing the second quarter of 2004 to the first quarter of 2004, average U.S. utility cow prices were up \$7.00/cwt. to a national average of \$55.66/cwt. USDA projects that utility cow prices will average \$52-54 in the third quarter of 2004.

Information from the USDA-NASS publication (Milk Production" and the USDA-ERS publication: "Livestock, Dairy, and Poultry Outlook." 

Safeguards Against Bovine Spongiform Encephalopathy Strengthened

WASHINGTON, July 9, 2004

Three actions were recently announced to further strengthen existing safeguards that protect consumers against the agent that causes bovine spongiform encephalopathy (BSE, also known as “mad cow disease”). The three documents on display include:

- A joint USDA Food Safety & Inspection Service (FSIS), USDA Animal and Plant Health Inspection Service (APHIS) and Food and Drug Administration (FDA) notice that asks for public comment on additional preventive actions that are being considered concerning BSE;
- An interim final FDA rule that prohibits the use of certain cattle-derived materials in human food (including dietary supplements) and cosmetics; and
- A proposed FDA rule on recordkeeping requirements for the interim final rule relating to this ban.

In 1997, FDA finalized its animal feed ban, which has been the critical safeguard to stop the spread of BSE through the U.S. cattle population by prohibiting the feeding of most mammalian protein to cattle and other ruminant animals. USDA implemented additional measures in January to ensure that no cattle tissues known to be high risk for carrying the BSE agent are included in USDA-regulated products. Finally, as became evident last December, there is a contingency response plan, developed over the past several years, that is launched immediately to contain any potential damage after a BSE positive animal is found.

Comments on Measures Under Consideration

To allow interested parties and stakeholders the opportunity to comment on the additional regulatory and policy measures under consideration, USDA's APHIS and FSIS, along with the FDA, developed an advance notice of proposed rulemaking that includes several additional actions the federal government is considering regarding BSE.

USDA's FSIS continues to seek and address comments on actions taken in relation to the BSE mitigation measures and put in place in January 2004. FSIS is also specifically seeking comments on whether a country's BSE status should be taken into account when determining whether a country's meat inspection system is equivalent to the U.S. regulations including the provisions in the FSIS interim final rules.

USDA's APHIS is specifically seeking comments on the implementation of a national animal identification system. In April, USDA announced the availability of \$18 million in Commodity Credit Corporation funding to expedite development of a national animal identification

system, which is currently underway. APHIS is inviting comments on when and under what circumstances the program should move from voluntary to mandatory, and which species should be covered now and over the long term.


Animal Feed Measures

The ANPRM requests comment on the following measures related to animal feed regulated by FDA:

- removing specified risk materials (SRM's) from all animal feed, including pet food, to control the risks of cross contamination throughout feed manufacture and distribution and on the farm due to misfeeding;
- requiring dedicated equipment or facilities for handling and storing feed and ingredients during manufacturing and transportation, to prevent cross contamination;
- prohibiting the use of all mammalian and poultry protein in ruminant feed, to prevent cross contamination; and
- prohibiting materials from non-ambulatory disabled cattle and dead stock from use in all animal feed.

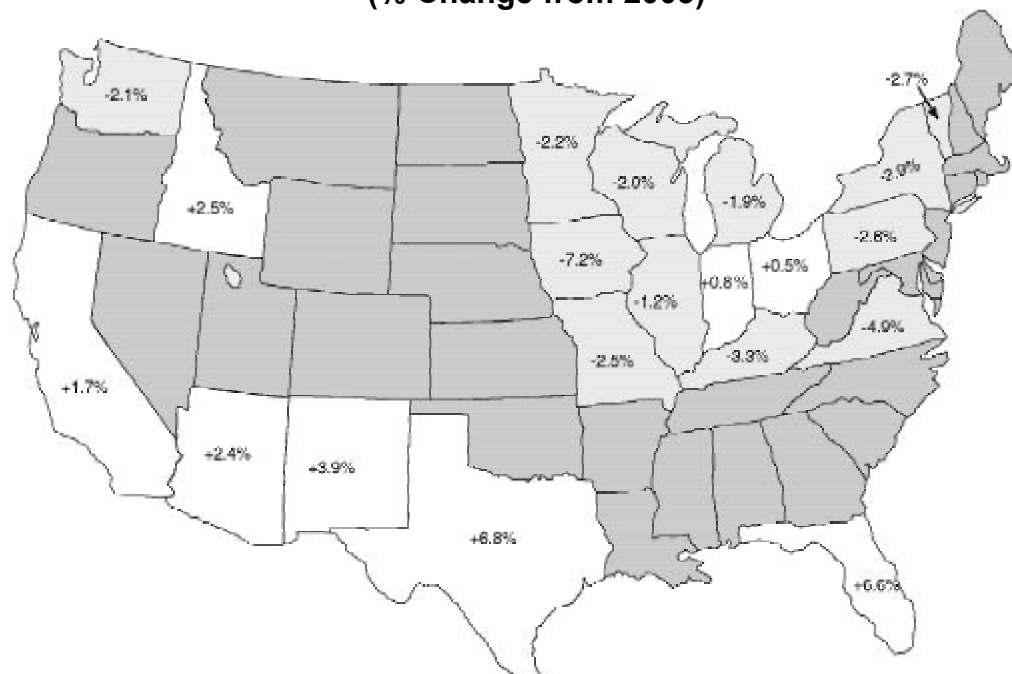
FDA has reached a preliminary conclusion that it should propose to remove SRM's from all animal feed and is currently working on a proposal to accomplish this goal. Comments on these issues raised in the ANPRM are due to FDA next month.

FDA also issued an interim final rule that prohibits the use of cattle-derived materials that can carry the BSE-infectious agent in human foods, including certain meat-based products and dietary supplements, and in cosmetics. These high-risk cattle-derived materials include SRM's that are known to harbor concentrations of the infectious agent for BSE, such as the brain, skull, eyes, and spinal cord of cattle 30 months of age or older, and a portion of the small intestine and tonsils from all cattle, regardless of their age. Prohibited high-risk bovine materials also include material from non-ambulatory disabled cattle, the small intestine of all cattle, material from cattle not inspected and passed for human consumption, and mechanically separated beef. This action is consistent with the recent interim final rule issued by USDA declaring these materials to be inedible (unfit for human food) and prohibiting their use as human food.

In conjunction with the publication of the interim final rule, FDA is also proposing to require that manufacturers and processors of FDA-regulated human food and cosmetics containing cattle-derived material maintain records showing that prohibited materials are not used in their products. FDA is taking this action because records documenting the absence of such materials are important to ensure compliance with requirements of the interim final rule. 

June Milk Production in the Top 20 States

(% Change from 2003)



For the U.S. overall, comparing June 2004 to June 2003:

- Milk production during June was down 0.4%
- The number of cows on farms was 9.012 million head, down 80,000 head
- Production per cow averaged 1,583 pounds, 8 pounds more than June 2003
- Twelve of the top twenty milk producing states showed a decrease in milk production

As reported by USDA
and CDFA (for California)

Vaccinate Horses Against West Nile Virus

Eight horses in California have contracted West Nile Virus in recent weeks, underscoring the need for horse owners to check with their veterinarian about vaccinations and to practice mosquito control measures. Five of the horses have been euthanized. None of the five had been vaccinated. Seven of the cases were in Riverside County. The other case was in San Bernardino County. The outbreak of the disease is likely to continue into late fall.

“West Nile Virus vaccinations for horses have never been more important,” said California State Veterinarian Dr. Richard Breitmeyer. “If people get the necessary booster shots for their horses now, or even just start the vaccination series, horses that may otherwise die can still be protected this season. Horse owners should contact their veterinarian as soon as possible.”

Signs of West Nile Virus include stumbling, staggering, wobbling, weakness, muscle twitching or inability to stand. Horses contract the disease from carrier mosquitoes and are not contagious to other horses or to people. Not every horse exposed to the virus will develop symptoms. Of the horses that do, approximately 30 percent will die.

CDFA has collaborated with state, federal and local agencies to detect and respond to the disease in California. CDFA has recently produced and distributed public service announcements about West Nile Virus and has taken a public education program directly to the equine community over the last several years. More information is available online at www.cdca.ca.gov



**Hundredweight
Pool Prices**

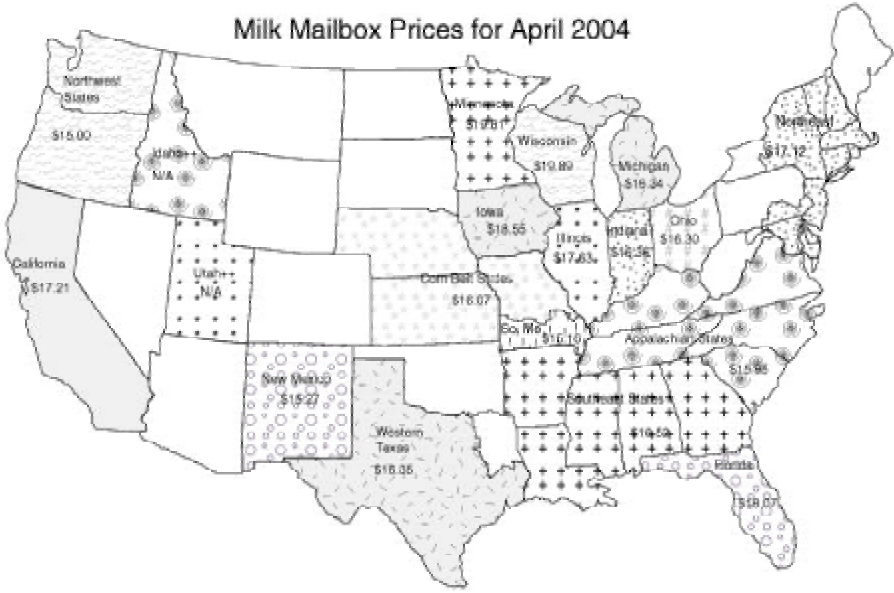
Month	Quota	Overbase
December	\$11.48	\$ 9.78
January '03	\$11.40	\$ 9.70
February	\$11.11	\$ 9.41
March	\$10.93	\$ 9.23
April	\$11.02	\$ 9.32
May	\$11.05	\$ 9.35
June	\$11.17	\$ 9.47
July	\$12.72	\$11.02
August	\$13.96	\$12.26
September	\$14.34	\$12.64
October	\$14.45	\$12.75
November	\$13.56	\$11.86
December	\$13.09	\$11.39
January '04	\$12.71	\$11.01
February	\$13.32	\$11.62
March	\$15.44	\$13.74
April	\$18.23	\$16.53
May	\$18.69	\$16.99
June	\$17.46	\$15.76

Milk Mailbox Prices

Milk Mailbox Prices in Dollars per Hundredweight


**	October	November	December	Jan '04	February	March	April
California ¹	\$13.46*	\$12.82*	\$12.54*	\$12.11	\$12.69	\$14.65	\$17.21*
USDA ²	\$14.88*	\$14.50*	\$13.81*	\$13.12	\$13.54	\$15.28	\$17.40*

¹ California mailbox price calculated by CDFA.
² All federal milk market order weighted average, as calculated by USDA.



In April 2004, mailbox prices for selected reporting areas in Federal milk orders averaged \$17.40 per cwt., \$2.13 more than the figure for the previous month. The component tests of producer milk in April 2004 were: butterfat, 3.83%; protein, 3.02%; and other solids 5.71%. On an individual reporting area basis, mailbox prices increased in all reporting areas and ranged from \$19.89 in Wisconsin to \$15.00 in Northwest States. In April 2003, the Federal milk order all-area average mailbox price was \$10.79, \$6.61 lower.

**Mailbox prices for Idaho and Utah are being discontinued due to the termination of the Western Federal Order.



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The California Department of Food and Agriculture Dairy Marketing Branch publishes the California Dairy Review monthly. Please direct any comments or subscription requests to Karen Dapper at (916) 341-5988 or send an email to dairy@cdfa.ca.gov

Milk Pricing Information:
Within California 1-800-503-3490
Outside California 1-916-442-MILK

Dairy Marketing Branch:
Phone (916) 341-5988; Fax (916) 341-6699
Website: www.cdfa.ca.gov/dairy
Email: dairy@cdfa.ca.gov

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